

**Belmont Warrant Committee Meeting Minutes**

**FINAL**

**February 9, 2011, 7:30 p.m.**

**Chenery Community Room**

Present: Chair Allison; Members Becker, Bruschi, Callanan, Dash, Epstein, Grob, Libenson, Lynch, Manjikian, McHugh, Millane, Sarno, Smith; BOS Chair Jones; School Committee Chair Rittenburg

Town Administrator Younger and Town Accountant Hagg

Members Absent:

The meeting was called to order at 7:30 pm by Chair Allison.

Chair Allison began by highlighting the agenda items and the evening's speakers. She introduced Mr. Widmer.

***Update on State Aid (Mike Widmer)***

Town Moderator Widmer began with the Governor's budget and state aid. He stated that local aid has been cut less than anticipated as a result of hopeful cuts in Medicaid as well as cuts in other areas. There is huge uncertainty, though, because these cuts are not definite. He said that it is safe to plan for a 10% cut, but not to plan on 5%. Local aid will not be known until April. State revenues are coming in better than anticipated and the national economy is improving. However, this year's revenues are being spent on Medicaid, which will not help in closing the FY12 gap.

He said that a report will be released next year which highlights OPEB liabilities for 50 communities in Massachusetts. This obligation is 2.5 times higher than the pension obligation, which renders it unaffordable by most municipalities. There are recommendations in the report suggesting how to preserve this benefit, as it is questionable whether it is affordable for new hires. These benefits need to be brought to a level that is affordable.

The era of generous benefits is over (fiscally). Compensation and benefits are 75% of the budget. This cost structure needs to be addressed – both legislatively and at a local level. Communities are going to have to live within a growth of 4-5% and even that will require periodic overrides. From a planning point of view, Belmont will need to think about how to plan for this amount of growth on a long-term basis. This is the new reality, the new normal. There will be no return to the old normal. Changes made soonest will bode well for those communities who make the changes sooner. Clearly we want to preserve the services that are critical for the people in these communities.

- SC Chair Rittenburg noted that a similar report was given two years ago and that stimulus money deferred the reality. Mr. Widmer agreed. Member Libenson asked if the OPEB recommendations could be acted upon at the local level. Mr. Widmer replied that most changes will need to come from the state level, but that changes could happen for retirees at the local level. Health plan design changes may be coming to municipalities, as well. Town Administrator Younger asked if the GIC could absorb a large number of communities? Mr. Widmer said that that area was uncertain as it does not work for all communities.

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### - ***Minuteman Budget Discussion (Ed Bouquillon)***

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- Minuteman Superintendent Bouquillon and Minuteman Business Operations Director Camie Lamica approached the WC table and distributed handouts. Chair Allison noted that questions were forwarded to Superintendent Bouquillon in advance of the meeting and that his presentation would address those questions. He reviewed Minuteman's level service budget: \$17.1M – which is a 5.2% increase. He said Chapter 70 is expected to be reduced by 5%, but enrollment has gone up. SPED was increased for non-member towns, and post-graduate students are now being charged tuition. The operating budget has increased by about 1%. Reductions have been made, he said, across the board totaling \$1.1M or 7%. He reviewed several "improvement markers," including right sizing with staff, administration, as well as with programs that are offered. The actual salary dollars have decreased as has the per-pupil expenditure.

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- Enrollment is at 754, which reflects both an increase and an upward trend. He then reviewed Belmont's historical enrollment, which is rising steadily. He reviewed the number of students with IEPs and noted that Minuteman has a high number of such students. The student/teacher ratios seem low, he said, but do not include some of the students attending. The 10.6/1 student-to-teacher ratio is the median for Voc. Tech. High Schools. Non-member tuition has risen. He then reviewed per-pupil foundation rates.

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- Regarding assessments to member towns, there is a slight increase in FY12 as a result of state aid assumptions. Belmont's assessment for FY12 is based on 41 students and has increased 7.22% plus an adjustment for under-assessment in FY11.

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- He noted that teacher contracts were being negotiated presently.

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- WC comments and questions:

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- Member Epstein asked how the right-sizing was achieved. Mostly, Superintendent Bouquillon said, by staff reductions and augmented by an increase in enrollment. Epstein asked about non-member enrollment increases and the impact on member towns. Bouquillon said that the towns that send many students should join the consortium. More member towns in the consortium will lower the assessment for all towns. Member Callanan asked how they are working to increase the enrollment for member towns. He replied that the outreach methodology has been revamped. Access to middle school kids has improved. Peer outreach is now taking place. Minuteman attends

various “Parent Nights” at high schools and middle schools. Mr. Jack Weiss reiterated that access to the students has improved greatly. Chair Allison about the process for knowing Minuteman’s costs for next year. He replied that October 1 is the date by which fiscal information is known. She then asked about the partnerships with local industry/firms. He replied that each of the 21 programs has a career advisory committee. He said there is steady feedback from the business community on the skill sets that will be needed. Mr. Weiss noted that 2/3 of Minuteman graduates go on to college or community college. He also noted that Belmont was under-assessed last year. He explained that under-assessed towns were not billed, but that all member towns were increased by 5% this year.

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### ***Discussion of FY2012 Budget and Process***

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- Chair Allison noted that descriptions of questions from subcommittees to their departments is due tonight. She asked subcommittee Chairs to indicate the key questions that will be asked of the departments.

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- Member Smith, Culture and Recreation Chair, noted that, for the Library, performance indicators don’t correlate with budget narrative and this will be inquired about. For

- COA, there are now eight programmatic areas (up from six last year). More information about the users of the COA’s programs has been forthcoming. WC Members offered various insights into questions that could be posed to the departments, e.g. pool and rink revolving accounts and fee increases for the pool and rink. Chair Allison noted that revolving accounts have had success and failures in communities. She also added that good accounting for variable costs is important and that all DPW costs are not fixed costs. Member Epstein noted that if the pool and rink were funded at a higher level, perhaps necessary work that needs to be done would get done, thus improving the facilities.

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- Member Brusch, Education Subcommittee Chair, said that they have created a list of clarifying questions for the School Department. She noted that the new Finance Director has changed the categorization of certain costs from previous years. She said the subcommittee members are still trying to understand the numbers, as they just received the level service budget on Friday, February 4. She said that they will be ready to pose meaningful questions at the end of March.

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- Member Millane, Chair of General Government, said that this subcommittee is moving forward on all fronts, she noted one question that will be put forward: does Belmont have to offer all three retiree health benefits? Member Sarno noted that performance summary totals don’t equal the line item totals and that this area needs clarification. Any budget item that increased significantly was asked about, e.g., the Town Clerk’s salary will be analyzed. Decreases will be looked at as well. Performance Indicators have been encouraged. Regarding the Town Administrator’s office, Member Dash said that, since the legal services have been put out to bid, he is not sure if this will

result in a savings or not. BOS Chair Jones provided a summary of this process; he is hoping to keep the cost about the same, but this cannot be projected yet.

- Member Lynch, Chair of Public Safety, said he reached out to the Chiefs of Fire and Police in December. A series of questions will be finalized very soon. They will be forwarded to the Chiefs, both of whom are aware of the process. Chair Allison said she wants to be sure that disability and other non-operating budget costs are examined.

- Member Epstein, Chair of DPW, Facility Services, Community Development, said he has met with all three department heads, has submitted questions and received answers. They are ready to draft the report.

- The WC discussed the issue of legal services in town.

### **WC Budget Communication Process**

- Chair Allison raised the issue of how people might communicate with the WC. She noted that Member Grob has the most experience in communication. Member Grob provided some ideas for strengthening communication with community members. She noted that reports, minutes, and other materials could be posted on the WC web site. She then suggested a system where people could ask questions of the WC via the web. Answering questions could then be a standing agenda item. Chair Allison requested members to give this topic some thought for discussion at a future meeting.

### ***Discussion of Questions for Retirement Board***

- Chair Allison noted that next week the WC will meet with the Retirement Board to discuss pensions. Pensions are a state-level obligation, but the Retirement Board has some discretion. She pointed WC members to a list of already-generated questions. BOS Chair Jones asked about the projection of the pension fund earnings for FY12. Town Accountant Hagg said that the actuarial assumption for interest was dropped slightly from 8 to 7.75%. BOS Chair Jones wondered about balancing the pension costs, given that projections for FY13 are lower than for FY12. Chair Allison noted the uncertainty in the FY13 projections and cautioned against “kicking the can down the road.” Member Epstein asked about the nature of the pension obligation, e.g., are they fixed in constant or current dollars? BOS Chair Jones said that pension obligations are mandated at the state level once someone is vested. The COLA increases were discussed.

### ***Approval of Minutes for 1/26/2011***

- The minutes of 1/26/11 were approved with one amendment and two abstentions.

### ***Wrap-up/Adjournment***

- BOS Chair Jones moved to adjourn at 9:34 pm.

- Member Grob provided the meeting summary.
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- Submitted by Lisa Gibalerio
- WC Recording Secretary
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